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**General Purpose Financial Statements and
Independent Auditors' Report**

**CALCASIEU PARISH PUBLIC
TRUST AUTHORITY**

May 31, 2001 and 2000

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 12/5/01

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	3
GENERAL PURPOSE FINANCIAL STATEMENTS:	
COMBINED BALANCE SHEETS	4
COMBINED STATEMENTS OF REVENUES AND EXPENSES	5
COMBINED STATEMENTS OF FUND EQUITY	6
COMBINED STATEMENTS OF CASH FLOWS	7
NOTES TO COMBINED FINANCIAL STATEMENTS	8
SUPPLEMENTAL INFORMATION:	
COMBINING BALANCE SHEETS	24
COMBINING STATEMENTS OF REVENUES AND EXPENSES	26
COMBINING STATEMENTS OF FUND EQUITY	28
COMBINING STATEMENTS OF CASH FLOWS	30
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	32
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	34
SCHEDULE OF PRIOR YEAR FINDINGS	35



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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Calcasieu Parish Public Trust Authority
Lake Charles, Louisiana

We have audited the accompanying combined balance sheets of the Calcasieu Parish Public Trust Authority, a component unit of the Calcasieu Parish Police Jury, as of May 31, 2001 and 2000, and the related combined statements of revenues and expenses, fund equity, and cash flows for the years then ended. These general purpose financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards of the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above, present fairly, in all material respects, the financial position of the Calcasieu Parish Public Trust Authority as of May 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles of the United States of America.

Our audits were made for the purpose of forming an opinion on the combined general purpose financial statements taken as a whole. The supplementary information included on pages 23 through 29 is presented for purposes of additional analysis and is not a required part of the combined general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audits of the combined general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined general purpose financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued our report dated November 11, 2001 on our consideration of Calcasieu Parish Public Trust Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations, contracts, and grants.

November 11, 2001

Langley, Williams & Co., LLC

Calcasieu Parish Public Trust Authority

COMBINED BALANCE SHEETS

May 31, 2001 and 2000

ASSETS		
	<u>2001</u>	<u>2000</u>
Cash and cash equivalents	\$ 488,946	\$ 1,139,668
Investment securities	25,990,388	25,066,931
Mortgage-backed securities, net of deferred income of \$7,386 and \$9,401, and discounts of \$3,431 and \$3,608 in 2001 and 2000, respectively	17,137,713	15,088,685
Mortgage loans receivable	6,686,257	8,085,117
Accounts receivable	-	12,944
Real estate acquired from foreclosures	87,356	62,037
Accrued interest receivable	182,243	123,814
Deferred financing costs, net of accumulated amortization of \$796,148 and \$721,445 in 2001 and 2000, respectively	584,202	476,450
Other assets	627	1,017
Due from other funds	<u>-</u>	<u>-</u>
Total Assets	\$ <u>51,157,732</u>	\$ <u>50,056,663</u>
LIABILITIES		
Accounts payable	\$ 17,032	\$ 53,089
Accrued interest payable	671,637	587,324
Mortgage revenue bonds payable	<u>45,889,921</u>	<u>45,171,649</u>
Total Liabilities	46,578,590	45,812,062
FUND EQUITY		
Reserved fund equity	2,181,019	3,356,484
Unreserved fund equity	<u>2,398,123</u>	<u>888,117</u>
Total Fund Equity	<u>4,579,142</u>	<u>4,244,601</u>
Total Liabilities and Fund Equity	\$ <u>51,157,732</u>	\$ <u>50,056,663</u>

See notes to combined financial statements.

Calcasieu Parish Public Trust Authority

COMBINED STATEMENTS OF REVENUES AND EXPENSES

Years Ended May 31, 2001 and 2000

	<u>2001</u>	<u>2000</u>
Interest Income		
Investment securities	\$ 1,615,636	\$ 1,124,319
Mortgage-backed securities	851,771	589,697
Mortgage loans receivable	731,903	757,392
Loss on sale of mortgage loans	<u>-</u>	<u>(7,140)</u>
	3,199,310	2,464,268
Interest Expense		
Bond interest	<u>2,680,342</u>	<u>2,023,244</u>
Net Interest Income	518,968	441,024
Operating Income		
Servicing fees	105,384	22,824
Participation fees	<u>36,953</u>	<u>21,702</u>
	142,337	44,526
Operating Expenses		
Mortgage servicing fees	23,587	40,946
Mortgage insurance	6,947	10,431
Amortization of deferred charges	85,276	54,912
Accounting and auditing fees	24,200	21,200
Trustee and paying agent fees	32,345	31,184
Administrative expenses	154,019	73,932
Depreciation expense	390	459
Grants	<u>-</u>	<u>3,000</u>
	<u>326,764</u>	<u>236,064</u>
Net Revenues over Expenses	\$ <u>334,541</u>	\$ <u>249,486</u>

See notes to combined financial statements.

Calcasieu Parish Public Trust Authority
COMBINED STATEMENTS OF FUND EQUITY

Years Ended May 31, 2001 and 2000

	<u>2001</u>	<u>2000</u>
Retained Earnings:		
Balance at beginning of year	\$ 1,846,478	\$ 1,596,992
Net income	<u>334,541</u>	<u>249,486</u>
Balance at end of year	2,181,019	1,846,478
Additional Paid-in Capital		
Balance at beginning of year	2,398,123	2,398,123
Transfers from other funds	296,137	165,810
Transfers to other funds	<u>(296,137)</u>	<u>(165,810)</u>
Balance at end of year	<u>2,398,123</u>	<u>2,398,123</u>
Total Fund Equity	4,579,142	4,244,601
Fund equity reserved under provisions of bond indentures	<u>(3,758,991)</u>	<u>(3,356,484)</u>
FUND EQUITY, unreserved	\$ <u>820,151</u>	\$ <u>888,117</u>

See notes to combined financial statements.

Calcasieu Parish Public Trust Authority
COMBINED STATEMENTS OF CASH FLOWS

Years Ended May 31, 2001 and 2000

	<u>2001</u>	<u>2000</u>
Cash flows from operating activities:		
Net Income	\$ 334,541	\$ 249,486
Adjustments to reconcile to net cash provided by operating activities:		
Amortization, net of accretion	30,866	54,912
Depreciation expense	390	459
Net changes in:		
Accounts receivable	12,945	(905)
Accrued interest receivable	(58,429)	33,096
Accounts payable	(36,057)	25,252
Accrued interest payable	<u>84,313</u>	<u>(80,713)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	368,569	281,587
Cash flows from financing activities:		
Proceeds from issuance of bonds	10,884,790	14,495,750
Principal payments on bonds	(10,120,391)	(2,717,549)
Deferred financing costs	<u>(186,456)</u>	<u>(17,040)</u>
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	577,943	11,761,161
Cash flows from investing activities:		
Collections of mortgage loans receivable	1,339,230	1,792,857
Proceeds from sales of other real estate	34,311	-
Proceeds of investment securities maturities	18,531,089	15,675,192
Purchases of investment securities	<u>(21,501,864)</u>	<u>(29,732,092)</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(1,597,234)	(12,264,043)
Net change in cash	(650,722)	(221,295)
Cash and cash equivalents, beginning of year	<u>1,139,668</u>	<u>1,360,963</u>
Cash and cash equivalents, end of year	\$ <u>488,946</u>	\$ <u>1,139,668</u>

*Supplemental Disclosure: Cash paid for bond interest was \$2,642,153 and \$2,103,957 in 2001 and 2000, respectively.
Noncash transactions: Real estate acquired from foreclosures was \$87,356 and \$62,037 in 2001 and 2000, respectively.*

See notes to combined financial statements.

Calcasieu Parish Public Trust Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

May 31, 2001 and 2000

1. Organization:

The Calcasieu Parish Public Trust Authority was created through a trust indenture dated May 14, 1979, pursuant to provisions of Chapter 2-A of Title 9 of the Louisiana Revised Statutes of 1950, as amended. The Authority is a legal entity separate and apart from the parish government, although the parish government is the ultimate beneficiary of all residuals of the trust estate. The initial legislation and subsequent amendments grant the Authority the right to obtain resources to promote the financing and development of any essential program conducted in the public's interest within the boundaries of Calcasieu Parish, Louisiana. The Authority's primary activities involve the issuance of bonds to obtain resources for the purpose of assisting in the financing of housing needs for persons of low and moderate incomes in Calcasieu Parish.

The bonds are solely the obligations of the Authority and are payable from revenues derived from mortgage loans, mortgage-backed securities and investments acquired pursuant to the indentures to which such bonds relate. The bonds are not obligations of Calcasieu Parish or any other governmental entity.

The Authority is managed by a Board of Trustees empowered to contract with outside parties to conduct the operations of the various programs. The Authority also contracts with national banking institutions to serve as trustee for each of its bond programs or as its custodial bank for the Authority's unrestricted resources.

The financial statements of the individual bond funds are presented on a combined basis. All interfund transactions have been eliminated. The Authority maintains a separate self-balancing set of books (a fund) for each bond program and an operating fund to account for its unrestricted assets. The assets of each individual bond fund are restricted under the related bond indentures. Accordingly, the combined totals on the financial statements are not intended to indicate that the combined assets are available for any purpose due to the contractual restrictions imposed on certain assets and the income derived therefrom. Additionally, the combined totals do not present consolidated financial information. Included in the totals are unrestricted assets that are available to the Authority for its unrestricted use.

2. Summary of Significant Accounting Policies:

Basis of Accounting and Financial Reporting

As the governing authority of the parish, for reporting purposes, the Calcasieu Parish Police Jury is the financial reporting entity for Calcasieu Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Calcasieu Parish Public Trust Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

May 31, 2001 and 2000

2. Summary of Significant Accounting Policies: (Continued)

Basis of Accounting and Financial Reporting - (Continued)

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Calcasieu Parish Police Jury for financial reporting purposes. The criteria for including a potential component unit within the reporting entity are:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the reporting entity to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the reporting entity.
2. Organizations for which the reporting entity does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury financial statements would be misleading if data of the organization was not included due to the nature or significance of the relationship, the Calcasieu Parish Public Trust Authority was determined to be a component unit of the Calcasieu Parish Police Jury, the financial reporting entity. The accompanying general purpose financial statements present information only on the funds maintained by the Calcasieu Parish Public Trust Authority and do not present information on the police jury, the general government services provided by that government unit, or the other governmental units that comprise the financial reporting entity.

The Authority's financial statements are presented in accordance with generally accepted accounting principles adopted by the Governmental Accounting Standards Board (GASB) as applicable to all state and local governments.

Calcasieu Parish Public Trust Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

May 31, 2001 and 2000

2. Summary of Significant Accounting Policies: (Continued)

Pervasiveness of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents are stated at cost which approximates fair market value. For financial statement purposes, the Authority considers cash, demand deposits, certificates of deposit and debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Investment Securities

Bonds and notes are carried at cost, adjusted for premiums and discounts that are recognized in interest income using the interest method over the period to maturity. The Board intends to hold such investments to maturity. Gains and losses on the sale of investments are determined using the specific-identification method.

Mortgage-Backed Securities

Mortgage-backed securities are stated at cost, adjusted for amortization of premiums and accretions of fees and discounts using a method that approximates level yields. These securities are issued by the Government National Mortgage Association (GNMA) or the Federal National Mortgage Association (FNMA). Such securities are backed by mortgage loans originated in Calcasieu Parish, Louisiana. Monthly payments of principal and interest are passed through to the Authority to finance debt service payments and other administrative costs. The Authority has adequate liquidity and capital, and it is generally the Board's intention to hold such assets to maturity. Should any be sold, gains and losses will be recognized based on the specific identification method.

Calcasieu Parish Public Trust Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

May 31, 2001 and 2000

2. Summary of Significant Accounting Policies: (Continued)

Mortgage loans receivable

Mortgage loans receivable are stated at unpaid principal balances, less the deferred revenues received for its commitment to purchase the loans. The deferred revenues are amortized over the life of the loan and recognized as a component of interest income. In the event of an extraordinary mandatory redemption of the bonds due to nonorigination of mortgage loans, the entire unamortized balance is recognized as commitment fee income.

The allowance for loan losses is increased by charges to income and recoveries and decreased by charge-offs. Management's periodic evaluation of the adequacy of the allowance is based on the Authority's past loan loss experience, current economic conditions, insurance protection provided against possible loan losses and any other factors which require consideration in estimating such losses.

Real Estate Acquired Through Foreclosures

Real estate properties acquired through loan foreclosure are initially recorded at the unpaid principal balance of the loan. Costs relating to improving the property are capitalized. This real estate must be restored to its original condition, normal wear and tear expected, before the mortgage insurance coverage applies.

Deferred Financing Costs

The cost of issuing mortgage revenue bonds are deferred and amortized over the life of the bonds as a financing expense. In the event all remaining bonds outstanding under a particular issue are retired, the unamortized balance is recognized as a component of the loss from the early extinguishment of debt.

Bond Discounts

Original issue discounts realized upon issuance of bonds are deferred and presented as a reduction of the face amount of bonds payable on the balance sheet. The deferred amount is amortized over the life of the bonds as a component of interest expense. In the event all remaining bonds outstanding under a particular issue are retired, the unamortized balance is recognized as a component of the loss from the early extinguishment of debt.

Calcasieu Parish Public Trust Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

May 31, 2001 and 2000

2. Summary of Significant Accounting Policies: (Continued)

Income Taxes

The Authority is exempt from federal and state income taxes.

3. Cash and Cash Equivalents:

The Authority had cash and cash equivalents totaling \$488,946 and \$1,139,668 at May 31, 2001 and 2000, respectively. The FDIC insured cash and cash equivalents in the amount of \$273,975 and \$465,896 at May 31, 2001 and 2000, respectively. The remaining balance of \$219,298 and \$675,900 at May 31, 2001 and 2000 was uninsured and uncollateralized (GASB Category 3). Uncollateralized deposits include balances that are collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the Authority's name. Under Louisiana Revised Statutes, there are no specific requirements regarding investment of idle funds or collateralization of deposits applicable to public trusts.

4. Investment Securities:

The permissible types of investments under the various bond programs are governed by the underlying bond indentures. Under Louisiana Revised Statutes, there are no specific requirements regarding permissible investments of a public trust. The Authority's investments are categorized to give an indication of the level of risk assumed by the Authority at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the Authority or its agent in the Authority's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the Authority's name. Category 3 includes uninsured and unregistered investments which are unsecured. Unsecured investments include securities held for the Authority but not in its name.

Calcasieu Parish Public Trust Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

May 31, 2001 and 2000

4. Investment Securities: (Continued)

May 31, 2001

	<u>Category 3</u>	<u>Carrying Value</u>	<u>Market Value</u>
U.S. Treasury Notes	\$ 353,514	\$ 353,514	\$ 358,952
Investment Agreements	25,505,652	25,505,652	25,505,652
FHLB	110,801	110,801	113,202
FHLMC	<u>20,419</u>	<u>20,419</u>	<u>20,588</u>
Totals	\$ <u>25,990,386</u>	\$ <u>25,990,386</u>	\$ <u>25,998,394</u>

May 31, 2000

	<u>Category 3</u>	<u>Carrying Value</u>	<u>Market Value</u>
U.S. Treasury Notes	\$ 317,176	\$ 317,176	\$ 310,383
Investment Agreements	24,699,299	24,699,299	24,699,299
FHLB	<u>50,456</u>	<u>50,456</u>	<u>49,756</u>
Totals	\$ <u>25,066,931</u>	\$ <u>25,066,931</u>	\$ <u>25,059,438</u>

The amortized cost and approximate market value of investment securities are:

May 31, 2001

	<u>Amortized Cost</u>	<u>Unrealized Gain (Loss)</u>	<u>Market Value</u>
U. S. Treasury Notes	\$ 353,514	\$ 5,438	\$ 358,952
Investment Agreements	25,505,652	-	25,505,652
FHLB	110,801	2,401	113,202
FHLMC	<u>20,419</u>	<u>169</u>	<u>20,588</u>
	\$ <u>25,990,386</u>	\$ <u>8,008</u>	\$ <u>25,998,394</u>

Calcasieu Parish Public Trust Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

May 31, 2001 and 2000

4. Investment Securities: (Continued)

May 31, 2000

	<u>Amortized Cost</u>	<u>Unrealized Gain (Loss)</u>	<u>Market Value</u>
U. S. Treasury Notes	\$ 317,176	\$(6,793)	\$ 310,383
Investment Agreements	24,699,299	-	24,699,299
FHLB	<u>50,456</u>	<u>(700)</u>	<u>49,756</u>
	<u>\$ 25,066,931</u>	<u>\$(7,493)</u>	<u>\$ 25,059,438</u>

The investment agreements are between the Authority and Berkshire Hathaway, Inc. The agreements contain provisions that stipulate in the event Berkshire Hathaway's senior unsecured long-term debt rating by Moody's Investors Service, Inc., falls below A2 for the 1991 Series A Agreement or A3 for other bond programs, the Authority shall have the right to withdraw the investment unless Berkshire Hathaway, Inc., enters into and collateralizes an investment agreement in repurchase format which is in a form and content satisfactory to all parties. The collateral shall be comprised of U.S. Treasury or agency obligations and subject to other conditions as specified in the Agreements. These investments mature after 10 years.

5. Mortgage-Backed Securities:

The GNMA and FNMA mortgage-backed securities have interest rates ranging from 6.210% to 8.375%. These securities are carried on the balance sheet net of deferred revenues in the amount of \$7,386 and \$9,401 and discounts of \$3,431 and \$3,608 at May 31, 2001 and 2000, respectively. Monthly principal and interest payments from the GNMA and FNMA mortgage-backed securities are guaranteed by GNMA and FNMA. GNMA payments flow through to the holders of the 1989 Series A, 1998 Series A, and 2000 A & B Mortgage Revenue Bonds. FNMA payments flow through to the holders of the 1997 Series A Mortgage Revenue Bonds.

Calcasieu Parish Public Trust Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

May 31, 2001 and 2000

5. Mortgage-Backed Securities: (Continued)

May 31, 2001

	<u>Amortized Cost</u>	<u>Unrealized Gain (Loss)</u>	<u>Market Value</u>
GNMA Mortgage-backed Securities	\$ 13,505,860	\$ (277,771)	\$ 13,228,089
FNMA Mortgage-backed Securities	<u>3,631,854</u>	<u>(112,606)</u>	<u>3,519,248</u>
	<u>\$ 17,137,714</u>	<u>\$(390,377)</u>	<u>\$ 16,747,337</u>

May 31, 2000

	<u>Amortized Cost</u>	<u>Unrealized Gain (Loss)</u>	<u>Market Value</u>
GNMA Mortgage-backed Securities	\$ 12,173,653	\$(864,211)	\$ 11,309,442
FNMA Mortgage-backed Securities	<u>2,915,032</u>	<u>(263,135)</u>	<u>2,651,897</u>
	<u>\$ 15,088,685</u>	<u>\$(1,127,346)</u>	<u>\$ 13,961,339</u>

These investments mature after 10 years.

6. Mortgage Loans Receivable:

Mortgage loans are pledged as security on the Mortgage Revenue Refunding Bonds as follows:

	<u>May 31, 2001</u>	<u>May 31, 2000</u>
1991 Series A	\$ 4,929,971	\$ 5,874,927
1992 Series B	1,594,499	2,002,311
Operating Fund	<u>161,787</u>	<u>207,879</u>
	<u>\$ 6,686,257</u>	<u>\$ 8,085,117</u>

Calcasieu Parish Public Trust Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

May 31, 2001 and 2000

7. Mortgage Revenue Bonds Payable

Mortgage revenue bonds outstanding are as follows:

	<u>May 31, 2001</u>	<u>May 31, 2000</u>
1989 Series A:		
Current interest bonds, dated December 1, 1989, with a scheduled maturity on June 1, 2021, bearing interest at 7.90% payable monthly	611,468	726,859
1991 Series A:		
Current interest bonds, dated May 1, 1991 due June 1, 2012 with scheduled mandatory redemptions, bearing interest at 7.75% payable semiannually on June 1 and December 1	3,965,000	5,720,000
Current interest bonds, dated May 1, 1991 due December 1, 2012 with scheduled mandatory redemptions, bearing interest at 7.75% payable semiannually on June 1 and December 1	4,375,000	4,375,000
1992 Series B:		
Current interest bonds, dated December 1, 1992 due November 1, 2002 with scheduled mandatory redemptions, bearing interest at 6.375% payable semiannually on May 1 and November 1	100,000	235,000

Calcasieu Parish Public Trust Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

May 31, 2001 and 2000

7. Mortgage Revenue Bonds Payable: (Continued)

	<u>May 31, 2001</u>	<u>May 31, 2000</u>
1992 Series B:		
Current interest bonds, dated December 1, 1992, due November 1, 2012 with scheduled mandatory redemptions, bearing interest at 6.875% payable semiannually on May 1 and November 1	1,480,000	2,000,000
Compound interest bonds, dated December 1, 1992, due May 1, 2013 bearing interest of 7.256% payable at maturity	384,934	358,452
1997 Series A:		
Fixed rate bonds, dated April 1, 1997, due April 1, 2032 bearing interest of 6.40% payable semiannually on October 1, and April 1	510,000	532,500
Convertible option bonds, dated April 1, 1997, due April 1, 2032 bearing interest of 6.4% payable semiannually on October 1 and April 1	510,000	532,500
1998 Series A:		
Fixed rate bonds, dated April 1, 1998, due April 1, 2012 bearing interest of 5.55% payable semiannually on October 1 and April 1	4,093,100	4,893,817
Fixed rate bonds, dated April 1, 1998, due April 1, 2024 bearing interest of 4.75% payable semiannually on October 1 and April 1	2,971,632	3,539,877
Fixed rate bonds, dated April 1, 1998, due April 1, 2032 bearing interest of 6.10% payable semiannually on October 1 and April 1	7,085,403	7,761,894

Calcasieu Parish Public Trust Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

May 31, 2001 and 2000

7. Mortgage Revenue Bonds Payable: (Continued)

	<u>May 31, 2001</u>	<u>May 31, 2000</u>
2000 Series A:		
Fixed rate bonds dated April 1, 2000, due April 1, 2031 bearing interest at 7.0% payable semiannually on April 1 and October 1.	2,128,747	2,131,000
Fixed rate bonds dated April 1, 2000, due October 1, 2031 bearing interest at 7.0% payable semiannually on April 1 and October 1.	4,789,847	4,794,750
Fixed rate bonds dated April 1, 2000, due October 1, 2016 bearing interest at 7.8% payable semiannually on April 1 and October 1.	2,000,000	2,000,000
Fixed rate note dated April 1, 2000, due December 1, 2000 bearing interest at 4.5% payable at maturity.	-	5,570,000
2001 Series A:		
Fixed note bonds dated April 1, 2001, due October 1, 2016, bearing interest at 5.2% payable semiannually on April 1 and October 1.	1,555,000	-
Fixed rate bonds dated April 1, 2001, due April 1, 2032, Bearing interest at 6.05% payable semiannually on April 1 and October 1.	4,712,550	-
Fixed rate bonds dated April 1, 2001, due October 1, 2032, Bearing interest at 5.85% payable semiannually on April 1 and October 1.	<u>4,617,240</u>	<u>-</u>
	<u>\$ 45,889,921</u>	<u>\$ 45,171,649</u>

Calcasieu Parish Public Trust Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

May 31, 2001 and 2000

7. Mortgage Revenue Bonds Payable: (Continued)

Debt maturities and sinking fund requirements during each of the five years ended May 31, 2002 through May 31, 2006 and thereafter are as follows:

<u>Ending May 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	\$ 1,076,525	\$ 2,853,993	\$ 3,930,518
2003	1,341,790	2,782,945	4,124,735
2004	1,535,672	2,857,673	4,393,345
2005	1,655,788	2,526,230	4,182,018
2006	1,782,679	2,637,201	4,419,880
Thereafter	<u>38,497,467</u>	<u>30,428,324</u>	<u>68,925,791</u>
	<u>\$ 45,889,921</u>	<u>\$ 44,086,366</u>	<u>\$ 89,976,287</u>

The 1991 Series A bonds are subject to redemption at par on certain dates prior to their stated maturities when prepayments of the mortgage loans on deposit in certain redemption accounts equal \$25,000 or more. The bonds maturing on June 1, 2012 and December 1, 2012 are subject to redemption on or after June 1, 2001, at the option of the Authority, at any time from available monies at a redemption price equal to 103% of the principal amount called for redemption. The early call premium is reduced 1% on each subsequent June 1 to a redemption price of 100% of the principal amount so called.

The 1992 Series B bonds are subject to redemption at par on certain dates prior to their stated maturities when prepayments of the mortgage loans on deposit in certain redemption accounts equal \$25,000 or more. The current interest bonds maturing on November 1, 2012, and the compound interest bonds are subject to redemption on or after November 1, 2002, at the option of the Authority, at any time from available monies at a redemption price equal to 103% of the principal amount called for redemption. The early call premium is reduced 1% on each subsequent November 1 to a redemption price of 100% of the principal amount so called.

The Series 1997 A bonds are subject to redemption at par at certain dates prior to their stated maturities when prepayments of the mortgage loans are deposited in certain redemption accounts equal \$5,000 or more. The Fixed Rate Bonds bear a stated annual interest of 6.40%. The Convertible Option Bonds bear an annual interest for a 60-day tax-exempt commercial paper published that day or 60% of the bond equivalent rate for

Calcasieu Parish Public Trust Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

May 31, 2001 and 2000

7. Mortgage Revenue Bonds Payable: (Continued)

a 91-day United States Treasury Bill. The Bonds are subject to redemption on or after April 1, 2007, at the option of the Authority, at any time from available monies at a redemption price equal to 102% of the principal amount called for redemption. The early call premium is reduced by 1% on each subsequent April 1 to a redemption price of 100% of the principal amount so called.

The 1998 Series A bonds are subject to redemption at par at certain dates prior to their stated maturities when prepayments of the mortgage bonds on deposit in certain redemption accounts equal \$5,000 or more. The bonds bear stated annual interest ranging from 4.75% to 6.10%. The bonds are subject to redemption, at the option and direction of the Authority, on or after April 1, 2008, at any time from available monies at redemption prices equal to 105% of the principal amount called for redemption on the 2032 bonds and 102% of the principal amount called for redemption on the 2012 and 2024 bonds.

The 2000 Series A Bonds are subjected to redemption at par at certain dates prior to their stated maturities when prepayments of the mortgage bonds on deposit in certain redemption accounts equal \$5,000 or more. The bonds bear stated annual interest ranging from 7.0% to 7.8%. The bonds are subject to redemption, at the option and direction of the Authority, on or after April 1, 2010, at any time from available monies at a redemption price of 105% of the principal amount called. The early call premium is reduced 1% on each subsequent April 1 to a redemption price of 100% of the principal amount so called.

The 2001 Series A issue consists of \$1,555,000 in Program Bonds and \$8,810,000 in Premium Term Bonds. The Program Bonds are subject to redemption at par and the Premium Term Bonds are subject to redemption at 105% of the principal amount at certain dates prior to their stated maturities when prepayments of the mortgage bonds on deposit in certain redemption accounts equal \$5,000 or more. The bonds bear stated annual interest ranging from 5.2% to 6.05%. The bonds are subject to redemption, at the option and direction of the Authority, on or after April 1, 2011, in whole or part at any time from available monies. Bonds maturing on October 1, 2016, are subject to optional redemption on or after April 1, 2011, at a redemption price of 103% of the principal amount called. Bonds maturing April 1, 2032, and October 1, 2032, are subject to optional redemption on or after April 1, 2011, at a redemption price of 105% of the principal amount called. The early call premium is reduced 1% on each subsequent April 1 to a redemption price of 100% of the principal amount so called.

Calcasieu Parish Public Trust Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

May 31, 2001 and 2000

8. Revenue Bonds Payable:

The revenue bond issues include a covenant which provides that the bonds are payable solely from payments made by the lessor or owner of the project financed by the bond proceeds. The Authority is under no obligation to pay the bonds from any other source. In accordance with industry standards, the debt and related capital leases are not recorded in the financial statements. The projects and related balances of the debt are as follows:

	<u>May 31, 2001</u>	<u>May 31, 2000</u>
Industrial Development:		
1994 Series (PPG Industries, Inc. Project)	\$ 7,300,000	\$ 7,300,000
1997 Series A (WPT Corporation Project)	10,889,000	10,889,000
2001 Series (Groth Equipment Corporation Project)	1,000,000	-
Other:		
2001 Series (McNeese State Univeristy Student Housing-Cowboy Facilities Inc. Project)	<u>19,985,983</u>	<u>-</u>
	<u>\$ 39,174,983</u>	<u>\$ 18,189,000</u>

Calcasieu Parish Public Trust Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

May 31, 2001 and 2000

9. Related Party Transactions:

The members of the Authority's Board of Trustees receive a per diem payment for each meeting attended and are reimbursed for actual expenses incurred in their capacity as trustees of the Authority. The following payments were made to the members of the Board of Trustees for per diem:

	<u>May 31, 2001</u>	<u>May 31, 2000</u>
Francis Bellows	\$ 550	\$ 550
Harry Broussard	150	-
Herman Busch	550	600
Tim Castle	550	550
Robert Goldsmith	250	400
Robert Jones	550	550
John Nash	600	600
Stanton Nichols	300	550
Alvin Stevens	846	550
Angie Wood	550	450
	<u>\$ 4,896</u>	<u>\$ 4,800</u>

SUPPLEMENTAL INFORMATION

Calcasieu Parish Public Trust Authority

COMBINING BALANCE SHEETS

May 31, 2001

	<u>1989 A</u> <u>Bond Fund</u>	<u>1991 A</u> <u>Bond Fund</u>	<u>1992 B</u> <u>Bond Fund</u>
ASSETS			
Cash and cash equivalents	\$ 5,683	\$ 313,379	\$ 35,200
Investment securities	-	6,202,678	320,665
Mortgage-backed securities, net	599,051	-	-
Mortgage loans receivable	-	4,929,971	1,594,499
Accrued interest receivable	4,074	14,123	5,360
Real estate acquired from foreclosures	-	87,356	-
Deferred financing costs, net	8,160	66,972	34,173
Other assets	-	-	-
Due from (to) other funds	<u>-</u>	<u>(5,434)</u>	<u>5,434</u>
Total Assets	\$ <u>616,968</u>	\$ <u>11,609,045</u>	\$ <u>1,995,331</u>
LIABILITIES			
Accounts payable	\$ 52	\$ 11,739	\$ 2,595
Accrued interest payable	4,033	323,175	9,183
Mortgage revenue bonds payable	<u>611,468</u>	<u>8,340,000</u>	<u>1,964,934</u>
Total Liabilities	615,553	8,674,914	1,976,712
FUND EQUITY			
Retained earnings (deficit)	1,415	2,144,786	(34,377)
Additional paid-in capital	<u>-</u>	<u>789,345</u>	<u>52,996</u>
Total Fund Equity	<u>1,415</u>	<u>2,934,131</u>	<u>18,619</u>
Total Liabilities and Equity	\$ <u>616,968</u>	\$ <u>11,609,045</u>	\$ <u>1,995,331</u>

<u>1997 A Bond Fund</u>	<u>1998 A Bond Fund</u>	<u>2000 A/B Bond Fund</u>	<u>2001A Bond Fund</u>	<u>Operating Fund</u>	<u>Combined Totals</u>
\$ 1	\$ -	\$ 29,894	\$ 3,197	\$ 101,592	\$ 488,946
73,473	2,200,934	5,720,653	10,987,250	484,735	25,990,388
1,090,145	12,190,797	3,198,389	-	59,331	17,137,713
-	-	-	-	161,787	6,686,257
2,506	43,509	20,786	85,129	6,756	182,243
-	-	-	-	-	87,356
16,059	248,402	23,980	186,456	-	584,202
-	-	-	-	627	627
(504)	(7,196)	-	-	7,700	-
<u>\$ 1,181,680</u>	<u>\$ 14,676,446</u>	<u>\$ 8,993,702</u>	<u>\$ 11,262,032</u>	<u>\$ 822,528</u>	<u>\$ 51,157,732</u>
\$ 3	\$ 7	\$ 259	\$ -	\$ 2,377	\$ 17,032
10,552	124,780	100,438	99,476	-	671,637
<u>1,020,000</u>	<u>14,150,135</u>	<u>8,918,594</u>	<u>10,884,790</u>	<u>-</u>	<u>45,889,921</u>
1,030,555	14,274,922	9,019,291	10,984,266	2,377	46,578,590
(48,875)	154,504	(74,597)	(18,371)	56,534	2,181,019
<u>200,000</u>	<u>247,020</u>	<u>49,008</u>	<u>296,137</u>	<u>763,617</u>	<u>2,398,123</u>
<u>151,125</u>	<u>401,524</u>	<u>(25,589)</u>	<u>277,766</u>	<u>820,151</u>	<u>4,579,142</u>
<u>\$ 1,181,680</u>	<u>\$ 14,676,446</u>	<u>\$ 8,993,702</u>	<u>\$ 11,262,032</u>	<u>\$ 822,528</u>	<u>\$ 51,157,732</u>

Calcasieu Parish Public Trust Authority

COMBINING STATEMENTS OF REVENUES AND EXPENSES

Year Ended May 31, 2001

	1989 A <u>Bond Fund</u>	1991 B <u>Bond Fund</u>	1992 A <u>Bond Fund</u>
REVENUES			
Interest Income:			
Investment securities	\$ 394	\$ 469,407	\$ 18,724
Mortgage-backed securities	53,883	-	-
Mortgage loans receivable	<u>-</u>	<u>560,486</u>	<u>151,557</u>
	54,277	1,029,893	170,281
Interest Expense			
Bond interest	<u>52,185</u>	<u>687,490</u>	<u>149,040</u>
Net Interest Income	2,092	342,403	21,241
Operating Income			
Servicing fees	-	-	-
Participation fees	<u>-</u>	<u>-</u>	<u>-</u>
	-	-	-
Operating Expenses			
Mortgage servicing fees	328	14,473	8,786
Mortgage insurance	-	4,399	2,365
Amortization of deferred charges	1,790	34,050	12,038
Accounting and auditing fees	-	-	-
Trustee and paying agent fees	463	6,693	2,000
Administrative expenses	36	-	3,896
Depreciation expenses	<u>-</u>	<u>-</u>	<u>-</u>
	<u>2,617</u>	<u>59,615</u>	<u>29,085</u>
Net Revenues over (under) Expenses	\$ (<u>525</u>)	\$ <u>282,788</u>	\$ (<u>7,844</u>)

<u>1997 A Bond Fund</u>	<u>1998 A Bond Fund</u>	<u>2000 A/B Bond Fund</u>	<u>2001 A Bond Fund</u>	<u>Operating Fund</u>	<u>Combined Totals</u>
\$ 42,910	\$ 299,585	\$ 649,874	\$ 85,178	\$ 49,564	\$ 1,615,636
39,272	686,447	72,169	-	-	851,771
-	-	-	-	19,860	731,903
<u>82,182</u>	<u>986,032</u>	<u>722,043</u>	<u>85,178</u>	<u>69,424</u>	<u>3,199,310</u>
 <u>66,948</u>	 <u>777,977</u>	 <u>847,226</u>	 <u>99,476</u>	 <u>-</u>	 <u>2,680,342</u>
15,234	208,055	(125,183)	(14,298)	69,424	518,968
-	-	-	-	105,384	105,384
-	7,953	29,000	-	-	36,953
<u>-</u>	<u>7,953</u>	<u>29,000</u>	<u>-</u>	<u>105,384</u>	<u>142,337</u>
 -	 -	 -	 -	 -	 23,587
-	-	-	-	183	6,947
1,319	35,334	745	-	-	85,276
-	3,000	-	-	21,200	24,200
412	6,077	4,688	4,073	7,939	32,345
8,344	108,016	-	-	33,727	154,019
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>390</u>	<u>390</u>
 <u>10,075</u>	 <u>152,427</u>	 <u>5,433</u>	 <u>4,073</u>	 <u>63,439</u>	 <u>326,764</u>
\$ <u><u>5,159</u></u>	\$ <u><u>63,581</u></u>	\$ (<u><u>101,616</u></u>)	\$ (<u><u>18,371</u></u>)	\$ <u><u>111,369</u></u>	\$ <u><u>334,541</u></u>

Calcasieu Parish Public Trust Authority

COMBINING STATEMENTS OF FUND EQUITY

Year Ended May 31, 2001

	<u>1989 A</u> <u>Bond Fund</u>	<u>1991 A</u> <u>Bond Fund</u>	<u>1992 B</u> <u>Bond Fund</u>
Fund Equity (Deficit):			
Balance at beginning of year	\$ 1,940	\$ 1,861,998	\$ (26,533)
Net income (loss)	<u>(525)</u>	<u>282,788</u>	<u>(7,844)</u>
Balance at end of year	<u>1,415</u>	<u>2,144,786</u>	<u>(34,377)</u>
Additional Paid-in Capital:			
Balance at beginning of year	-	789,345	52,996
Transfers from other funds	-	-	-
Transfers to other funds	<u>-</u>	<u>-</u>	<u>-</u>
Balance at end of year	<u>-</u>	<u>789,345</u>	<u>52,996</u>
Total Fund Equity	1,415	2,934,131	18,619
Fund equity reserved under provisions of bond indentures	<u>(1,415)</u>	<u>(2,934,131)</u>	<u>(18,619)</u>
FUND EQUITY, unreserved	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

<u>1997 A Bond Fund</u>	<u>1998 A Bond Fund</u>	<u>2000 A/B Bond Fund</u>	<u>2001 A Bond Fund</u>	<u>Operating Fund</u>	<u>Combined Totals</u>
\$ (54,034)	\$ 90,923	\$ 27,019	\$ -	\$ (54,835)	\$ 1,846,478
<u>5,159</u>	<u>63,581</u>	<u>(101,616)</u>	<u>(18,371)</u>	<u>111,369</u>	<u>334,541</u>
<u>(48,875)</u>	<u>154,504</u>	<u>(74,597)</u>	<u>(18,371)</u>	<u>56,534</u>	<u>2,181,019</u>
200,000	247,020	165,810	-	942,952	2,398,123
-	-	-	296,137	-	296,137
<u>-</u>	<u>-</u>	<u>(116,802)</u>	<u>-</u>	<u>(179,335)</u>	<u>(296,137)</u>
<u>200,000</u>	<u>247,020</u>	<u>49,008</u>	<u>296,137</u>	<u>763,617</u>	<u>2,398,123</u>
151,125	401,524	(25,589)	277,766	820,151	4,579,142
<u>(151,125)</u>	<u>(401,524)</u>	<u>25,589</u>	<u>(277,766)</u>	<u>-</u>	<u>(3,758,991)</u>
\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>820,151</u>	\$ <u>820,151</u>

Calcasieu Parish Public Trust Authority

COMBINING STATEMENTS OF CASH FLOWS

Year Ended May 31, 2001

	<u>1989 A</u> <u>Bond Fund</u>	<u>1991 A</u> <u>Bond Fund</u>	<u>1992 B</u> <u>Bond Fund</u>
Cash flows from operating activities:			
Net Income (Loss)	\$ (525)	\$ 282,788	\$ (7,844)
Adjustments to reconcile to net cash provided by (used in) operating activities:			
Amortization, net of accretion	(401)	34,050	39,633
Depreciation expense	-	-	-
Net changes in:			
Accounts receivable	-	-	-
Accrued interest receivable	780	1,773	1,937
Accounts payable	(40)	(4,823)	(293)
Due to (from) other funds	-	(8,751)	-
Accrued interest payable	(932)	(68,006)	(3,350)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(1,118)	237,031	30,083
Cash flows from financing activities:			
Proceeds from issuance of bonds	-	-	-
Principal payments on bonds	(115,391)	(1,755,000)	(655,000)
Transfers to other funds	-	-	-
Transfers from other funds	-	-	-
Deferred financing costs	-	-	-
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(115,391)	(1,755,000)	(655,000)
Cash flows from investing activities:			
Collections of mortgage loans receivable	-	885,326	407,812
Proceeds from sales of other real estate	-	34,311	-
Proceeds from investment securities maturities	115,709	2,393,157	716,100
Purchases of investment securities	-	(1,889,634)	(513,481)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	115,709	1,423,160	610,431
Net increase (decrease) in cash	(800)	(94,809)	(14,486)
Cash and cash equivalents, beginning of year	6,483	408,188	49,686
Cash and cash equivalents, end of year	\$ <u>5,683</u>	\$ <u>313,379</u>	\$ <u>35,200</u>

<u>1997 A</u> <u>Bond Fund</u>	<u>1998 A</u> <u>Bond Fund</u>	<u>2000 A/B</u> <u>Bond Fund</u>	<u>2001A/B</u> <u>Bond Fund</u>	<u>Operating</u> <u>Fund</u>	<u>Combined</u> <u>Totals</u>
\$ 5,159	\$ 63,581	\$ (101,616)	\$ (18,371)	\$ 111,369	\$ 334,541
1,319	(30,119)	(14,096)	-	480	30,866
-	-	-	-	390	390
-	-	-	-	12,945	12,945
(317)	9,261	13,107	(85,129)	159	(58,429)
(449)	(144)	(26,499)	-	(3,809)	(36,057)
(567)	(1,308)	-	-	10,626	-
(279)	(17,576)	74,980	99,476	-	84,313
4,866	23,695	(54,124)	(4,024)	132,160	368,569
-	-	-	10,884,790	-	10,884,790
(45,000)	(1,980,000)	(5,570,000)	-	-	(10,120,391)
-	-	(116,802)	-	(179,335)	(296,137)
-	-	-	296,137	-	296,137
-	-	-	(186,456)	-	(186,456)
(45,000)	(1,980,000)	(5,686,802)	10,994,471	(179,335)	577,943
-	-	-	-	46,092	1,339,230
-	-	-	-	-	34,311
178,037	3,725,995	10,983,218	-	418,873	18,531,089
(153,974)	(2,203,434)	(5,306,052)	(10,987,250)	(448,039)	(21,501,864)
24,063	1,522,561	5,677,166	(10,987,250)	16,926	(1,597,234)
(16,071)	(433,744)	(63,760)	3,197	(30,249)	(650,722)
16,072	433,744	93,654	-	131,841	1,139,668
\$ <u>1</u>	\$ <u>-</u>	\$ <u>29,894</u>	\$ <u>3,197</u>	\$ <u>101,592</u>	\$ <u>488,946</u>



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Trustees
Calcasieu Parish Public Trust Authority
Lake Charles, LA

We have audited the general purpose financial statements of the Calcasieu Parish Public Trust Authority as of and for the years ended May 31, 2001 and 2000, and have issued our report thereon dated November 11, 2001. We conducted our audit in accordance with generally accepted auditing standards of the United States of American and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Calcasieu Parish Public Trust Authority's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Calcasieu Parish Public Trust Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

To the Board of Trustees
Calcasieu Parish Public Trust Authority
Page 2

This report is intended for the information of the audit committee, management, the Calcasieu Parish Police Jury, and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Langley, William J. Co., LLC

Lake Charles, LA
November 11, 2001

Calcasieu Parish Public Trust Authority

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

May 31, 2001

We have audited the general purpose financial statements of Calcasieu Parish Public Trust Authority, as of and for the year ended May 31, 2001, and have issued our report thereon dated November 11, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the general purpose financial statements as of May 31, 2001, resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

Report on Internal Control and Compliance Material to the General Purpose Financial Statements

Internal Control:

Material Weaknesses

☐ Yes x No

Reportable Conditions

☐ Yes x No

Compliance:

Compliance Material to

General Purpose Financial Statements

☐ Yes x No

Section II Financial Statement Findings

No findings.

Section III Federal Award Findings and Questioned Costs

Not applicable.

Calcasieu Parish Public Trust Authority
SCHEDULE OF PRIOR YEAR FINDINGS

May 31, 2001

Not applicable.